PHILIP MORRIS USA INTER-OFFICE CORRESPONDENCE
120 PARK AVENUE, NEW YORK, NY 10017-5592

To: Bob Roper **Date:** June 29, 1994

From: Rich Camisa

Subject: Outdoor Advertising 500 Foot Rule

The following recommends minor 1995 outdoor contract language revisions concerning PM's position on the "500 foot" rule. The objective of these revisions is to preempt anti-smoking forces from using unscrupulous tactics, and loosely written language in the Master Letter of Agreement signed on behalf of PM, to force the removal of outdoor cigarette boards. Simultaneously, the spirit of the 500 rule is unequivocably maintained.

Background

Philip Morris U.S.A., the Tobacco Industry and the Outdoor Advertising Association of America have voluntary procedures in place to restrict the advertising of products which are illegal for sale to minors (see attached). These procedures establish exclusionary zones which prohibit such product advertisements within 500 feet of specified establishments. There are, however, significant differences in the wording of these three procedures. The current Philip Morris position, reflected in a Master Letter of Agreement, is inconsistent with the Tobacco Industry code. In light of the hostile external environment, Philip Morris stands to benefit by modifying the language of its 500 foot rule, and incorporating elements from both the OAAA and Tobacco Industry codes.

Issues/Recommendations

- The list of establishments which PM has defined for the purpose of creating 500 foot exclusionary zones appears to be a hybrid of elements from both the Tobacco Industry Code and the OAAA code. Recommendations and rationale for revisions, on an establishment by establishment basis, follow:

  a. Change "educational institutions (schools)" to **"established educational institutions (schools)"**. Our current definition is superior to both the Tobacco Industry and OAAA codes because it is broader and includes schools such as pre-kindergarten and college. Adding "established" to the definition pre-empts the use of store front operations as a tactic for board removal, yet provides PM the flexibility to evaluate the impact of the board on the schools in order to make a proper decision based on the spirit of the code.

  b. Change "churches" to **"established places of worship"**. Our current language, if interpreted literally, does not include synagogues, mosques, etc. - and may be deemed offensive by certain religious groups. Adding "established" as a qualifier provides PM with the same benefit and discretion noted above (a).

  c. Retain **"hospitals"** as is to insulate PM from negative press associated with the smoking/health controversy.

  d. Change "public playgrounds" to **"children's playgrounds"** for consistency with the Tobacco Industry code.

e. Retain **"cemeteries"** as is. Although not defined in either the Tobacco Industry Code or the OAAA code, an exclusionary zone around cemeteries (like hospitals) serves to insulate PM advertising from negative press associated with the smoking/health controversy.

- The current Master Letter of Agreement contains guidelines for outdoor boards located **beyond** 500 feet, stating that they "may not be facing" these establishments. This language is vague and, if interpreted literally, could jeopardize boards which are not readable and/or have little impact on these establishments.

  I recommend striking this language from our contract for consistency with both the Tobacco Industry and OAAA codes. Should we encounter boards that are slightly beyond 500 feet, PM will have the flexibility to evaluate the impact of the board on the establishments and make a proper decision based on the spirit of the rule.

Assuming you're comfortable, I'll work with Ginny to draft actual language for inclusion in 1995 contracts.

RC/em

cc: D. Cimine
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